

**RULES  
OF  
DEPARTMENT OF REVENUE  
INCOME TAX DIVISION**

**CHAPTER 560-7-8  
RETURNS AND COLLECTIONS**

**TABLE OF CONTENTS**

**560-7-8-.15 Interest on Deficiencies. Amended.**

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(1) Interest at the rate provided in O.C.G.A. § 48-2-40 and referred to in O.C.G.A. §§ 48-7-81 and 48-7-126 shall be computed on all deficiencies or unpaid tax from the date such payment of tax was due until paid.

(2) For purposes of this rule the date such payment of tax was due shall refer to the due date of the return on which such tax is payable, and shall ignore any extension of time granted for filing such return, or any assessment of tax prior to such due date.

(3) If there is a deficiency or unpaid tax on any return which is subsequently decreased by a carry-back of a net operating loss, interest and penalty shall be computed on such deficiency or unpaid tax, without consideration of such carry-back loss, from the date such payment of tax was due to the last day of the taxable year in which such net operating loss occurs. Thereafter, interest and penalty shall be computed on the tax after adjustment for deduction of the net operating loss carry-back.

Example: An individual filed the 2001 return reflecting taxable income, and did not pay the \$400 tax shown on the return. The taxpayer then filed the 2003 return reflecting a net operating loss of \$2000, and then filed a timely claim for refund carrying the loss

**Chapter 560-7-8****Returns and Collections**

to 2001. The unpaid tax balance after deduction of the operating loss carry-back is \$280.00. Interest and penalty would be computed as follows, presuming the date of payment of the liability to be August 15, 2004:

Interest and penalty on \$400 Additional Tax from April 15, 2002 to December 31, 2003	126
Additional Tax Due After Net Operating Loss Carry-back Deduction	280
Interest and penalty on \$280 from January 1, 2004 to August 15, 2004	29
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Net Deficiency at August 15, 2004	\$435

Note: This regulation applies to all taxpayers. An individual taxpayer was used for illustration purposes only.

(4) The interest and penalty provided by this regulation shall be assessed and collected as if it were an integral part of the tax upon which it is computed.

Authority O.C.G.A. §§ 48-2-12, 48-2-40, 48-2-42, 48-7-81, and 48-7-126.